Page 1 of 3

**Electronically Recorded** 

**Tarrant County Texas** 

Official Public Records

10/21/2010 9:43 AM

D210260241

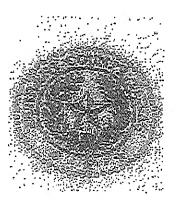
Dega Berke

PGS 3

\$24.00

Suzanne Henderson

Submitter: ACS



DALE PROPERTY SERVICES, LLC ATTN: RECORDING TEAM 500 TAYLOR ST. STE 600 FORT WORTH, TEXAS 76102

Submitter: DALE PROPERTY SERVICES, LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

DO NOT DESTROY

WARNING - THIS IS PART OF THE OFFICIAL RECORD

ELECTRONICALLY RECORDED BY ERXCHANGE

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE

> Electronically Recorded Chesapeake Operating, Inc.

## PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made thisaddress is	12+2 day of October			on a single person	
address is 4.741 Forestwood Fort	Worth TX 76119	, as Lessor, and CH	ESAPEAKE EXPLORATION	, L.L.C., an Oklahoma limited	_   liability
company, whose address is P.O. Box 1849	96, Oklahoma City, Oklahoma	i 73154-0496 . as Lesse	ee. All printed portions of t	his lease were prepared by t	he party
hereinabove named as Lessee, but all other prov	visions (including the completion	of blank spaces) were pr	repared jointly by Lessor and	Lessee.	

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises;

 $_{ extstyle}$  ACRES OF LAND, MORE OR LESS, BEING  $_{ extstyle}$  LOT  $oldsymbol{A}_{ extstyle}$ OF BLOCK 12 , OUT OF THE <u>Sunshine Hill</u> , AN ADDITION TO THE CITY OF <u>FORT WORTH</u>, <u>TARRANT COUNTY</u>, <u>TEXAS</u>, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS IN THAT CERTAIN PLAT RECORDED IN VOLUME <u>398-D</u>, PAGE <u>3U5</u> OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS.

gross acres, more or less (including any interests therein which Lessor may hereafter acquire by gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

- 2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of <u>Five</u> (5) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.
- 3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be Twenty Five Percent (25)% of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be Twenty Five Percent (25)% of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs
- (25)% of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production there from is not being sold by Lessee, such well or wells are shut-in or production there from is not being sold by Lessee, such well or wells are shut-in or production there from is not being sold by Lessee, such well or wells are shut-in or production there from is not being sold by Lessee, such well or wells are shut-in or production there from is not being sold by Lessee, such well or wells are shut-in or production there from is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

  4. All shut-in royalty payments u
- which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive
- 5. Except as provided for in Paragraph 3. above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production there from, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the
- there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

  6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling of or an oil well which is not a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or agas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority, having jurisdiction to do so. For the purpose of the foregoing, the terms foil well and gas well shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" shall have the meanings prescribed by any governmental authority, having jurisdiction to do so. For the purpose of t

## Page 3 of 3

LESS

ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee until Lessee has addised the notification requirements contained in Lessees or sus and form of division order. In the event of the death of any person entitled to shuther provalities hereunder, Lessee may pay or tender such shuth in royalities hereunder, Lessee may pay or tender such shuther provalities to such persons or one through the proportion to the interest which each owns. If Lessee transfers of decedent or decedent's estate in the depository designated above. If st any time two or more persons are entitled to shuther royalities for the transferred interest, and failure of the transferred interest and not after the proportion of the research shuth in royalities and the proportion of the research shuth in royalities and the proportion of the research shuth in royalities and from the to the development of the proportion of the research shuth in royalities and the proportion of the research shuth in royalities and the proportion of the research shuth in royalities and the proportion of the research shuth in royalities and the proportion of the research shuth in royalities of the proportion of the research shuth in royalities shall be proportion of the sease and an undivided interest in all or any portion of the sease and on an undivided interest in all or any portion of the sease and on an undivided interest in all or any portion of the sease and on an undivided interest in all or any portion of the sease and any post of the sease of any sease that the proportion of

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that I account that the lease payments are final and that I account that the lease payments are final and that I account that the lease payments are final and that I account that the lease payments are final and that I account that the lease payments are final and that I account that the lease payments are final and that I account the lease payments are final and that I account the lease payments are final and that I account the lease payments are final and that I account the lease payments are final and that I account the lease payments are final and that I account the lease payments are final and that I account the lease payments are final and that I account the lease payments are final and that I account the lease payments are final and that I account the lease payments are final and that I account the lease payments are final and the lease payments a that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs.

devisees, executors, administrators, successors and assigns, whether or not this lea	se has been executed by all parties hereinabove named as Lessor.
OR (WHETHER ONE OR MORE)	
Signature: Leventur Li Johnson	Signature:
Printed Name: Quentin L. Johnson	Printed Name:
ACKNOWLED	DGMENT
STATE OF <u>TEXAS</u> COUNTY OF TARRANT	
This instrument was acknowledged before me on the 12th day of	October , 2010, by Overtin L. Johnson, asinde person
MAITHEW DAVID HEMBREE	MUNDAI
Notary Public, State of Texas	Notary Public, State of Texas
My Commission Expires February 08, 2014	Notary's name (printed):
repludiy 00, 2014	Notary's commission expires:
ACKNOWLED	OGMENT
STATE OF TEXAS	`
COUNTY OF <u>TARRANT</u> This instrument was acknowledged before me on theday of	2010 by
This model was asking medged solde the sit theady of	
	Notary Public, State of Texas
	Notary's name (printed):
	Notary's commission expires:
CORPORATE ACKN	OWLEDGMENT
STATE OF TEXAS	
COUNTY OF <u>TARRANT</u> This instrument was acknowledged before me on the day of _	, 2010, by of
acorporation, on behalf of s	aid corporation.

Notary Public, State of Texas Notary's name (printed); Notary's commission expires: